

United States Bankruptcy Court for the:

District of Utah

Case number (if known): _____ Chapter 11☐ Check if this is an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

06/22

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name Power Block Coin, LLC

2. All other names debtor used in the last 8 years

SmartFi

Include any assumed names, trade names, and *doing business as* names

3. Debtor's federal Employer Identification Number (EIN)

38-4054005

4. Debtor's address

Principal place of business

1145 South 800 East, Suite 117

Number Street

Orem UT 84097

City State ZIP Code

Utah County

County

Mailing address, if different from principal place of business

Number Street

P.O. Box

City State ZIP Code

Location of principal assets, if different from principal place of business

Number Street

City State ZIP Code

5. Debtor's website (URL) https://smartfi.com/

6. Type of debtor

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))☐ Partnership (excluding LLP)☐ Other. Specify: _____

Debtor Power Block Coin, LLC
Name _____ Case number (if known) _____

7. Describe debtor's business

A. Check one:

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Railroad (as defined in 11 U.S.C. § 101(44))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
☒ None of the above

B. Check all that apply:

- ☐ Tax-exempt entity (as described in 26 U.S.C. § 501)
☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor.
 See <http://www.naics.com/search/>.

523160

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check one:

- ☐ Chapter 7
☐ Chapter 9
☒ Chapter 11. Check all that apply:

A debtor who is a "small business debtor" must check the first sub-box. A debtor as defined in § 1182(1) who elects to proceed under subchapter V of chapter 11 (whether or not the debtor is a "small business debtor") must check the second sub-box.

- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$3,024,725. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
☒ The debtor is a debtor as defined in 11 U.S.C. § 1182(1), its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$7,500,000, **and it chooses to proceed under Subchapter V of Chapter 11.** If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return, or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
☐ A plan is being filed with this petition.
☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

☒ No

☐ Yes. District _____ When _____ Case number _____
 MM / DD / YYYY
 District _____ When _____ Case number _____
 MM / DD / YYYY

If more than 2 cases, attach a separate list.

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

☒ No

☐ Yes. Debtor _____ Relationship _____
 District _____ When _____
 MM / DD / YYYY
 Case number, if known _____

List all cases. If more than 1, attach a separate list.

Debtor Power Block Coin, LLC Case number (if known) _____
 Name _____

11. Why is the case filed in *this* district?

Check all that apply:

- ☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
- ☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

- ☒ No
- ☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? *(Check all that apply.)*

- ☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.
 What is the hazard? _____
- ☐ It needs to be physically secured or protected from the weather.
- ☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).
- ☐ Other _____

Where is the property?

Number _____ Street _____

 City _____ State _____ ZIP Code _____

Is the property insured?

- ☐ No
- ☐ Yes. Insurance agency _____
 Contact name _____
 Phone _____

Statistical and administrative information

13. Debtor's estimation of available funds

Check one:

- ☒ Funds will be available for distribution to unsecured creditors.
- ☐ After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors

- | | | |
|---|--|--|
| <input type="checkbox"/> 1-49 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 25,001-50,000 |
| <input type="checkbox"/> 50-99 | <input type="checkbox"/> 5,001-10,000 | <input type="checkbox"/> 50,001-100,000 |
| <input type="checkbox"/> 100-199 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> More than 100,000 |
| <input checked="" type="checkbox"/> 200-999 | | |

15. Estimated assets

- | | | |
|--|---|--|
| <input type="checkbox"/> \$0-\$50,000 | <input type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input checked="" type="checkbox"/> \$10,000,001-\$50 million | <input type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

Debtor Power Block Coin, LLC Case number (if known) _____
Name _____

16. Estimated liabilities

- | | | |
|--|--|--|
| <input type="checkbox"/> \$0-\$50,000 | <input checked="" type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input type="checkbox"/> \$10,000,001-\$50 million | <input type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

Request for Relief, Declaration, and Signatures

WARNING – Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 06/20/2024
MM / DD / YYYY

☒ /s/

Signature of authorized representative of debtor

Aaron Tilton

Printed name

Title Officer

18. Signature of attorney

☒ /s/ Brian M. Rothschild

Date

06/20/2024

Signature of attorney for debtor

MM / DD / YYYY

Brian M. Rothschild

Printed name

Parsons Behle & Latimer

Firm name

201 S. Main Street Suite 1800

Number Street

Salt Lake City

City

UT

State

84111

ZIP Code

8015321234

Contact phone

brothschild@parsonsbehele.com

Email address

15316

Bar number

UT

State

**OMNIBUS ACTION BY WRITTEN CONSENT
OF
THE BOARD OF DIRECTORS
OF
BLUE CASTLE HOLDINGS, INC.
AND
THE MANAGERS AND SOLE MEMBER
OF
POWER BLOCK COIN, L.L.C.**

June 20, 2024

The undersigned, constituting all the (a) members of the Board of Directors (the “Board”) of Blue Castle Holdings, Inc., a Delaware corporation (“HoldCo”), (b) managers (“Managers”) and with the Board and HoldCo, the “undersigned”) of Power Block Coin, L.L.C., a Utah limited liability company doing business as “SMARTFI” (“SMARTFI” and together with HoldCo, collectively, the “Companies” and each individually, a “Company”), and (c) the sole member of SMARTFI, which is HoldCo.

The undersigned, in the foregoing capacities, acting in accordance with the laws of the State of Delaware and the State of Utah, and the organizational documents of each Company currently in effect as of the date hereof, do hereby consent to the taking of the following actions and to the adoption of the following resolutions by the undersigned and each Company:

WHEREAS, the undersigned have considered the financial and operational condition of SMARTFI, and SMARTFI’s current circumstances and challenges which includes without limit its significant liquidity challenges caused by fluctuations in the cryptocurrency market and the ongoing burden and expense being incurred from engaging in litigation with certain clients of SMARTFI; and

WHEREAS, the undersigned have determined it to be in the best interest of the Companies for SMARTFI to seek relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) by filing a case (the “Chapter 11 Case”) in the United States Bankruptcy Court for the District of Utah (the “Bankruptcy Court”).

NOW, THEREFORE, BE IT RESOLVED that each of the undersigned and each of SMARTFI’s officers and managers, acting individually or collectively, be, and hereby is, authorized, directed, and empowered to cause SMARTFI to file a petition for relief under Chapter 11 of the Bankruptcy Code by filing the Chapter 11 Case with the Bankruptcy Court and to take any and all such actions as may be necessary to accomplish the foregoing Chapter 11 Case;

RESOLVED FURTHER that each of the undersigned and each of SMARTFI’s officers and managers, acting individually or collectively, be, and hereby is, authorized and directed, on behalf of the Companies to (a) retain the law firm of Parsons Behle & Latimer to represent SMARTFI, as lead counsel, in connection with the Chapter 11 Case, upon such terms as the Board shall approve, and (b) employ other counsel, financial advisors, accountants, and such

other professionals as may be necessary, in the Board's reasonable business judgment, to facilitate the resolutions set forth herein;

RESOLVED FURTHER, that each of the undersigned, and each of SMARTFI's officers and managers, acting individually or collectively, be, and hereby is, authorized, empowered, and directed, for and on behalf of SMARTFI to execute and deliver such pleadings, declarations, agreements, instruments, certificates, and other documents that such person may deem necessary or appropriate to effectuate the filing under the Chapter 11 Case and the reorganization of the Companies under Chapter 11 of the Bankruptcy Code, all in such form and upon such terms as such person shall approve, the approval and execution by any such person of any such documents or items to evidence conclusively the approval thereof by the Companies;

RESOLVED FURTHER, that all acts and actions taken by any or all of the undersigned on behalf of SMARTFI prior to the date hereof with respect to the foregoing be, and hereby are, in all respects confirmed, approved, and ratified;

This Omnibus Action by Written Consent may be executed and delivered by facsimile or by electronic mail in portable document format (.pdf) or similar means and delivery of the signature page by such method will be deemed to have the same effect as if the original signature had been delivered to the Corporation.

This Omnibus Action by Written Consent shall be deemed to have been fully executed and delivered when the undersigned have executed at least one (1) counterpart, but not necessarily the same counterpart.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Omnibus Action by Written Consent effective as of the date first written above.

BOARD OF DIRECTORS AND MANAGERS:

Aaron Tilton

Aaron Tilton, as the Charmain of the Board of Directors of HoldCo, which is the sole member of SMARTFI, and a Manager of SMARTFI

Brad L. Jones

Brad Jones, as a member of the Board of Directors of HoldCo, which is the sole member of SMARTFI, and a Manager of SMARTFI

Thomas P Retson

Tom Retson, as a member of the Board of Directors of HoldCo, which is the sole member of SMARTFI, and a Manager of SMARTFI

SOLE MEMBER:

Blue Castle Holdings, Inc.,
a Delaware corporation

Aaron Tilton

By: Aaron Tilton
Its: Charmain of the Board of Directors of HoldCo

Brad L. Jones

By: Brad Jones
Its: Member of the Board of Directors of HoldCo

Thomas P Retson

By: Tom Retson
Its: Member of the Board of Directors of HoldCo

LIST OF EQUITY SECURITY HOLDERS OF POWER BLOCK COIN, L.L.C.

Debtor POWER BLOCK COIN, L.L.C. d/b/a “SmartFi”, a Utah limited liability company, is 100% owned by Blue Castle Holdings, Inc., a Delaware corporation.